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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
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DENVER, COLORADO 80202

093518

May 9, 1974

Commander
Headquarters
United States Taiwan Defense Command
APO San Francisco 96263

DG 05630

Dear Sir:

Our examination of the temporary lodging allowance (TLA) vouchers in the August 1973 account of ADSN 5980, Shu Lin Kou Air Station (AS), Taiwan, disclosed a need for additional information to support the TLA payments being made at that station.

The Commander, Shu Lin Kou AS, in response to our request, furnished individual copies of TLA Expense Data Worksheets to support the TLA payments in question. With his response he included a copy of COMUSTDC (SSMR) Instruction 7220.1B dated February 16, 1973, issued by your Command, and a copy of the 327th Air Division Regulation 177-2 dated April 11, 1973, issued by Department of the Air Force, Headquarters 327th Air Division (PACAF), APO San Francisco 96280. The Commander, Shu Lin Kou AS, advised that TLA payments were made in accordance with the provisions of the JTR, para. M4303, the instruction and regulation cited above.

Our review of the Expense Data Worksheets disclosed that overpayments of TLA were occurring in the instances where the duration of the TLA entitlements exceeded 10 days and there were two or more 10 day increment payments made. We attribute the cause for the overpayments to the computation instructions contained in Part III of TLA Expense Data Worksheet, TDC Form 7220/1 (1-73), copy enclosed, which is a part of the Taiwan Defense Command Instruction 7220.1B. The instructional note in Part III reads, in part, as follows: "In computing the number of days TLA required, a fraction of a day will be rounded up to the next whole day. Examples: 6.7 days would be rounded up to 7 days, 4.3 days rounded up to 5 days. This is required to insure that a service member will never receive less than his actual expenses."

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When applying the rounding up instruction in instances where TLA is paid for two or more 10 day increments, the member is paid total TLA in excess of total accrued expenses. The following is an example of a case where the rounding up procedure involving four incremental payments resulted in the member receiving TLA payments of \$100.02 in excess of total accrued expenses.

<u>Voucher number</u>	<u>Difference between income and reported expenses</u>	<u>Number of days paid</u>	<u>TLA rate</u>	<u>Amount paid</u>	<u>Excess income accrual</u>
P-53	\$ 331.79	1 ^{a/} 9 ^{a/}	\$28.75 34.50	\$ 339.25	\$ 7.46
P-122	331.79 329.79	20 ^{b/}	34.50	690.00	28.42
P-193	284.79 284.79	18 ^{c/}	34.50	621.00	51.42
P-242	<u>194.28</u>	6 ^{d/}	34.50	<u>207.00</u>	<u>12.72</u>
	\$1757.23			\$1857.25	\$100.02

a/ 9.6 days rounded up to 10 days

b/ Two 10 day periods each rounded from 9.5 days to 10 days

c/ Two 10 day periods each rounded from 8.25 days to 9 days

d/ 5.6 days rounded to 6 days

We interpret the JTR, para. M4303-2c(2) to require a comparison of a member's reported expenses with his allowance entitlements as set forth in para. M4303-2b(2) item 3 and if the reported expenses exceed the allowance entitlements, payment of TLA may be authorized for the number of days required to bring the allowances close to but not in excess of the total expenses. Officials of the Air Force Accounting

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and Finance Center agree with this interpretation. Accordingly, payment of TLA in excess of the difference between member's reported expenses and his allowance entitlements is not authorized.

In view of the above, by informal inquiry dated March 28, 1974, we asked the Commander at Shu Lin Kou AS to discontinue the procedure of rounding up the number of days of TLA entitlement. In addition, we asked that action be taken to identify and recover any overpayments.

This matter is being brought to your attention since the instruction on the TLA Expense Data Worksheet, which is a part of the Taiwan Defense Command Instruction 7220.1B, appears to have been the basic cause for the overpayments of TLA being made at the Shu Lin Kou AS. Since the Instruction is for the purpose of promulgating the policy for administering TLA to military personnel permanently stationed on Taiwan, similar overpayments may have and probably are continuing to occur in the accounts of the other services on Taiwan. We recommend the following:

1. Advise all services currently using the TLA Expense Data Worksheet Form to discontinue the procedure of rounding up a fraction of a day to the next whole day when computing TLA entitlement which causes the member to receive more TLA than his actual expenses.

2. Change the instructional note in Part III to provide the following guidance: "Authorize the number of days of TLA required to bring total allowances to an amount roughly comparable to but not more than total expenses as provided in JTR, para. M4303-2c(2). Expenses not compensated for in this increment may be carried forward and included as an expense item in the settlement of subsequent or final increments."

3. Advise the responsible disbursing agencies on Taiwan to examine their disbursement accounts for any overpayments of TLA resulting from the rounding up procedure. If overpayments have been made, action should be initiated to identify the members involved and recover any overpayments made within the guidelines set forth in Title 7, Section 28,12, GAO Policy and Procedures Manual for Guidance of Federal Agencies. This office should be advised as to

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the findings for the individual disbursing accounts and the action taken by those agencies to recover overpayments, if any, disclosed in the examination of their accounts.

Please advise of the actions taken.

Sincerely yours,



Irwin M. D'Addario
Regional Manager

Enclosure
Cpy Expense Data
Worksheet

cc: Commander, Department of the Air Force
APO San Francisco 96360
Commander, AFAFC, Attn: XSPT